

DETERMINATION OF SIGNIFICANCE
AND REQUEST FOR COMMENTS ON SCOPE OF ENVIRONMENTAL IMPACT STATEMENT FOR TESORO
CLEAN PRODUCTS UPGRADE PROJECT

Description of proposal: Tesoro Refining & Marketing Company LLC's (Tesoro) proposes infrastructure additions and upgrades to its existing facility in Anacortes, Washington in order to produce 15,000 barrels per day of mixed xylenes and to supply cleaner local transportation fuels. The refinery is located in western Skagit County on March Point, along the southwestern edge of Padilla Bay.

Elements of the proposed project's infrastructure include installing a Marine Vapor Emissions Control (MVEC) System, a Vapor Combustion Unit (VCU) and an Isomerization Unit; building an Aromatics Recovery Unit (ARU), a new steam boiler and storage tanks; and expansion of the existing Naphtha Hydrotreater to process 46,000 barrels of naphtha per day. A brief description of elements follows:

- Building a Marine Vapor Emissions Control (MVEC) system that would control marine vessel emissions from existing refinery vessel operations and from the new xylene transport, including:
 - Dock Safety Units (DSU) on the wharf structure to receive vapors controlled by the MVEC system
 - A new natural gas line from the refinery to the DSU
 - A Vapor Combustion Unit (VCU) near the existing Wastewater Treatment Plant
- Constructing an Aromatics Recovery Unit (ARU) which can produce mixed xylenes
- Installing a steam boiler
- Adding an Isomerization Unit to process light hydrocarbons and increase the amount of octane available to the refinery
- Expanding the existing Naphtha Hydrotreater, increasing hydrotreating capacity by about 15% (46,000 barrels per day) in order to further reduce the sulfur content in gasoline
- Installing three storage tanks next to the existing tankage area, expanding the tank storage area to the west

The project is known as the Tesoro Clean Products Upgrade (CPU) Project. The proposed project is not dependent on any particular mode of crude transportation. Production and shipment of xylenes are projected to increase ship traffic at the Tesoro wharf by up to five vessels per month. The proposed project does not increase Tesoro's refining capacity.

Proponent: Tesoro Refining & Marketing Company LLC (Tesoro)

Location of proposal: The Tesoro Anacortes Refinery is located at 10200 West March Point Road, Anacortes, WA 98221 in western Skagit County on March Point.

The project area is located on Parcels P32990 and P32989 within the South ½ of Section 21, Section 28 and the East ½ of Section 29, all in Township 35 North, Range 2 East, W.M.

Lead Agency: Skagit County Planning and Development Services

EIS Required. The lead agency has determined this proposal may have a significant adverse impact on the environment. An environmental impact statement (EIS) is required under RCW 43.21C.031 and will

be prepared in accordance with RCW 43.21.C.030(2)(c),(d), and (e). Areas for potential discussion in the EIS include, but are not limited to:

- Earth
 - Geology
 - Soils
 - Topography
 - Unique physical features
- Air
 - Air quality
 - Odor
 - Greenhouse gas/Climate
- Water
 - Surface water movement/quantity/quality
 - Runoff/absorption
 - Floods
 - Groundwater movement/quantity/quality
 - Public water supplies
- Plants and animals
 - Habitat for and numbers or diversity of species of plants, fish or other wildlife
 - Unique species
 - Fish or wildlife migration routes
- Environmental health
 - Noise
 - Risk of explosion
 - Releases or potential releases to the environment affecting public health such as toxic or hazardous materials
- Land and shoreline use
 - Relationship to existing land use plans and to estimated population
 - Light and glare
 - Aesthetics
 - Historic and cultural preservation
- Transportation
 - Vehicular traffic
 - Waterborne, rail, and air traffic
 - Parking
 - Movement/circulation of people or goods
 - Traffic hazards
- Public services and utilities
 - Fire
 - Police
 - Schools
 - Parks or other recreational facilities
 - Water/stormwater
 - Other governmental services or utilities

Scoping. Agencies, affected tribes, and members of the public are invited to comment on the scope of the EIS within a 29-day expanded comment period beginning on March 17, 2016 and closing on April 15, 2016.

Comments in the following areas are particularly valuable:

- Reasonable range of alternatives
- Potentially affected resources and extent of analysis for those resources
- Measures to avoid, minimize, and mitigate effects of the proposal

During the entire scoping period project information and comment opportunities can be accessed via the online open house <http://TesoroAnacortesEIS.PublicMeeting.info>. In addition, one scoping meeting will be held in the location listed and will include an open house

- Anacortes: Thursday, March 31 • Anacortes High School gym and Brodniak Hall, 1600 20th St., 4-8 pm.

Written scoping comments will be accepted at the scoping meeting.

There will be a facilitated verbal comment session from 4:30-7:00 pm at the public scoping meeting.

During the scoping comment period you may also submit comments by:

- Submitting electronic comments via the online open house:
<http://TesoroAnacortesEIS.PublicMeeting.info> between March 17, 2016 and April 15, 2016
- Calling and recording a message at 1-877-685-7356 (toll free) *5 minute time limit for messages*
- Sending electronic written comments to: comment@TesoroAnacortesEIS.com
- Hand deliver to Skagit County Planning & Development Services, 1800 Continental Place, Mount Vernon, WA during regular business hours by April 15, 2016
- Mailing your comments to:
Tesoro CPUP EIS, PO Box 21069, Seattle, WA 98111
Must be postmarked by April 15, 2016

Documents available: An environmental checklist and other information can be viewed online at <http://www.skagitcounty.net/Departments/PlanningAndPermit/tesoroclean.htm>, or reviewed at Skagit County Planning & Development Services, 1800 Continental Place, Mount Vernon, WA 98273.

Responsible official:

Dale Pernula, AICP
Director, Skagit County Planning & Development Services